

Earlier this week, we heard that rates for the Federal Employee Health Benefits Program (FEHBP) would be going up an average of 8.8% next year. That's bad news for millions of hard working people – and their families – at the Department of Veterans Affairs, the Department of Education, and across the federal government. It's also bad news for me, by the way. Despite what you might have heard, FEHBP is my health insurance plan, too. The plan that Members of Congress are on is the [same plan that the clerk at the Social Security office uses](#). I'm more fortunate than a lot of people in San Antonio, but an increase like this just isn't sustainable for the people of the 20th District or for the country. In a way though, it's also useful news, because it helps to show where the problems lie. Runaway health care cost increases are hurting everyone. Once we recognize the problems and that we're all in this together, we can work together to solve them.

Over the past ten years, the average premiums for job-based, family health insurance in Texas have [risen from \\$6,638 to \\$12,721](#). The part of that workers pay went from \$1,759 to \$4,122. That's an increase of 134% or nearly ten percent every year. Over the same period of time, wages increased 19.7% or about 2% per year. That means that even if your employer can still afford to provide insurance and even if the quality of that insurance hasn't gone down, health care costs are taking up more and more of your paycheck every year. And Texans have actually done better than people in most states. In Arizona, total premiums have [increased 47% faster compared to wages](#)

. Nor is this problem going away. Unless we do something, per-employee costs could [rise 166% in the next ten years](#)

. Remember, too, that the price of nearly everything else has [fallen over the past year](#)

. So, even when prices are falling everywhere else, health insurance premiums are going up everywhere, and going up fast. Clearly, this is a problem.

I can hear the questions forming in some of your heads: "But isn't the size of the pool of federal employees supposed to help keep costs down? Why is there this large increase in that case?" The answer to the first question is a resounding Yes, and the data actually proves it. People covered by FEHBP can choose among many companies and care plans, just like people would under the Health Insurance Exchange included in [America's Affordable Health Choices Act \(HR 3200\)](#)

. The rates for some plans are going up a lot more than others. The Blue Cross and Blue Shield Government-wide Service Benefit Plan will [increase premiums 12.4% for families and 15.1% for individuals](#)

, much more than the FEHBP average. And why? Well, Blue Cross and Blue Shield coverage offers a wider range of benefits, but one large reason is that the average age of people in their pool of members is reported to be [62 years old](#)

. Since our health care costs tend to rise as we get older, that means that there are most costs per person, requiring higher premiums. The other plans, which have many younger members who need less expensive care, have much lower costs. Furthermore, a plan with an average age of 62 would have faced even higher premiums if there weren't so many people in it.

This is why [HR 3200](#) requires that everyone get insurance, and provides help to those who cannot afford it. By creating this larger pool of insured people, the costs and risks of an expensive illness are dispersed, allowing companies to make insurance policies affordable. Paying for a \$100,000 surgery out of 10,000 insurance premiums is harder than out of 1,000,000, so health insurance rates are higher the fewer people are covered. There are more than 12 million uninsured Americans who work for small businesses. With fewer than 100 employees, these companies can't negotiate good rates. But if their employees were pooled together in the Health Insurance Exchange, sharing the burden and the benefits, those men and women and their families could negotiate for better rates. You could hardly get more American than that.

A group of Americans joining together to negotiate on the free market as a united group. That's what I want to see happen, Americans working together to get a better deal for everyone.

A handwritten signature in black ink, appearing to read "Michelle". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.